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MILK MARKET INFORMATION  
CHATTANOOGA TENNESSEE MARKETING AREA

Volume 2

August 1957

Number 1

Released Pursuant to \$1000.27 (j) and \$1000.85, USDA-AMS  
Federal Order No. 100, 3756 Ringgold Rd., Chattanooga 11, Tennessee  
J. B. McCroskey, Market Administrator

MARKET SUMMARY AUGUST 1957

The Order MINIMUM uniform price payable to producers for milk delivered during August to pool plants located less than 65 miles from City Hall, Chattanooga, Tennessee and distributing milk in Hamilton, Bradley and McMinn Counties Tennessee is \$4.94 per cwt. f.o.b. plants for milk testing 4.0% butterfat. The butterfat differential is 7.2¢ for each one tenth of one percent above or below 4 percent. (See page 3)

During August 85.8 percent of total producer milk was priced in Class I at \$5.28 per cwt. with a handler butterfat differential of 7.7¢ and 14.2 percent was priced in Class II at \$3.06 per cwt. with a butterfat differential of 6.9¢. (See page 3) The percent of producer skim and butterfat priced in Class I was 86.3% and 73.7% respectively.

The daily average deliveries of producer milk during August decreased 4.9% compared with July and the daily average use of Class I milk increased 8.8% compared with July 1957.

The Order MINIMUM Class I price for September is \$5.29, an increase of 1 cent over the August price. (Basic formula \$3.54 plus \$1.75 Class I Differential). The butter-powder formula price of \$3.54 per cwt. being the highest of the four alternate price formulas was used to compute the Class I price for September.

ACTIVITIES OF CHECK TESTERS AUGUST 1957: Plant Scales checked 9; Plant calls 120; Samples tested - Composite 2387, Fresh 5043, Finished Products 183.

FARM BULK TANK MILK COMPARISONS

| Month     | Farm Tank Deliveries  |                      | Farm Tank Producers |                      | Daily Average                |      |
|-----------|-----------------------|----------------------|---------------------|----------------------|------------------------------|------|
|           | Daily Average<br>lbs. | % of Total<br>Market | No. of<br>Farms     | % of Total<br>Market | Farm Deliveries<br>Bulk Tank | Cans |
| Sept. '56 | 34,973                | 10.02                | 41                  | 5.12                 | 853                          | 413  |
| Oct.      | 36,968                | 10.20                | 44                  | 5.09                 | 840                          | 397  |
| Nov.      | 41,661                | 10.98                | 46                  | 5.37                 | 906                          | 416  |
| Dec.      | 45,393                | 12.28                | 49                  | 6.13                 | 926                          | 432  |
| Jan. '57  | 53,779                | 14.23                | 59                  | 7.37                 | 912                          | 437  |
| Feb.      | 57,963                | 15.08                | 66                  | 8.27                 | 878                          | 446  |
| Mar. 1/   | 61,744                | 15.47                | 69                  | 8.69                 | 895                          | 465  |
| Apr.      | 69,519                | 15.94                | 71                  | 8.91                 | 979                          | 505  |
| May       | 72,279                | 16.82                | 79                  | 9.96                 | 915                          | 501  |
| June      | 73,377                | 18.70                | 97                  | 12.23                | 756                          | 458  |
| July      | 69,106                | 18.50                | 98                  | 12.37                | 705                          | 439  |

1/ Audited Figures through March 1957

## COMPARISON OF MILK RECEIPTS AND UTILIZATION

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|                                        | August '57 | July '57 | June '57 | May '57 |
|----------------------------------------|------------|----------|----------|---------|
|                                        | 21         | 21       | 21       | 20      |
| Number of Plants (Pool and Non-Pool)   |            |          |          |         |
| <b>GROSS RECEIPTS (DAILY)</b>          |            |          |          |         |
| Producer Milk Pounds                   | 355,141    | 373,575  | 392,416  | 429,684 |
| % Aug. '57 compared with:              | 100.0      | 95.1     | 90.5     | 82.7    |
| Other Source Milk Pounds               | 24,003     | 23,699   | 23,105   | 23,902  |
| <b>TOTAL MILK POUNDS</b>               | 379,144    | 397,274  | 415,521  | 453,586 |
| % Aug. '57 compared with:              | 100.0      | 95.4     | 91.2     | 83.6    |
| <b>GROSS UTILIZATION (DAILY)</b>       |            |          |          |         |
| Class I Milk Pounds                    |            |          |          |         |
| Fluid Milk                             | 259,648    | 238,984  | 234,541  | 252,434 |
| Buttermilk                             | 37,004     | 35,136   | 35,621   | 35,921  |
| Chocolate Milk                         | 8,051      | 7,289    | 6,679    | 6,462   |
| Fluid Skim                             | 4,720      | 4,780    | 4,705    | 5,134   |
| Fluid Creams                           | 1,969      | 1,892    | 1,889    | 2,424   |
| Bulk Milk and Cream to Non-Handlers    | 9,906      | 4,768    | 359      | 309     |
| Class I Shrinkage                      | 2,653      | 4,780    | 2,202    | 2,683   |
| Inventory Reclassification             | (411)      | (238)    | (330)    | (839)   |
| Overstated Sales                       | (50)       | -0-      | -0-      | -0-     |
| <b>TOTAL CLASS I MILK</b>              | 323,490    | 297,391  | 285,666  | 304,528 |
| % Aug. '57 compared with:              | 100.0      | 108.8    | 113.2    | 106.2   |
| Class II Milk Pounds (Used to Produce) |            |          |          |         |
| Butter                                 | 2,064      | 1,565    | 1,855    | 1,723   |
| Cheddar and Cottage Cheese             | 10,436     | 9,871    | 9,992    | 10,664  |
| Powder and Condensed Milk              | 24,606     | 55,763   | 80,051   | 105,826 |
| Ice Cream                              | 15,151     | 25,005   | 25,312   | 24,761  |
| Inventory Variation                    | (5,246)    | (1,833)  | 4,740    | (2,658) |
| Other <sup>1/</sup>                    | 8,643      | 9,512    | 7,905    | 8,742   |
| <b>TOTAL CLASS II MILK</b>             | 55,654     | 99,883   | 129,855  | 149,058 |
| % Aug. '57 compared with:              | 100.0      | 55.7     | 42.9     | 37.3    |
| % Producer Milk of Gross Class I       | 109.8      | 125.6    | 137.4    | 141.1   |
| % Producer Skim of Gross Class I Skim  | 109.1      | 124.9    | 136.5    | 140.3   |
| % Producer Bf. of Gross Cl. I Bf.      | 127.2      | 145.7    | 160.8    | 163.4   |
| % Producer Milk Priced in Class I      | 85.8       | 74.8     | 68.1     | 66.5    |

<sup>1/</sup> Includes stockfeed, sour cream, eggnog, overage, and shrinkage.

## PRODUCER MILK CLASSIFICATION (DAILY AVERAGE)

(1,000 lbs. per day)

| Month     | Class I | Class II |
|-----------|---------|----------|
| Sept. '56 | Class I | Cl. II   |
| Oct.      | Class I | Cl. II   |
| Nov.      | Class I | Cl. II   |
| Dec.      | Class I | Cl. II   |
| Jan. '57  | Class I | Cl. II   |
| Feb.      | Class I | Cl. II   |
| Mar.      | Class I | Cl. II   |
| Apr.      | Class I | Cl. II   |
| May       | Class I | Cl. II   |
| June      | Class I | Cl. II   |
| July      | Class I | Cl. II   |
| Aug.      | Class I | Cl. II   |



## SUMMARY OF COMPUTATION OF UNIFORM PRODUCER PRICES FOR AUGUST 1957

Based on 21 plant reports prior to audit

|                                                    | Class<br>% | Milk<br>Pounds | Butterfat<br>Test | Cwt. Price<br>@ Test | Value       |
|----------------------------------------------------|------------|----------------|-------------------|----------------------|-------------|
| Gross Class I                                      |            | 10028181       | 3.617             |                      |             |
| Less Other Source                                  |            | 581732         | 3.872             |                      |             |
| Producer Milk Class I                              | 85.8       | 9446449        | 3.600940          | \$4.972724           | \$469745.84 |
| Gross Class II                                     |            | 1725285        | 7.042             |                      |             |
| Less Other Source                                  |            | 162372         | 0.108             |                      |             |
| Producer Milk Class II                             | 14.2       | 1562913        | 7.762364          | 5.656031             | 88398.84    |
| TOTAL PROD. (Cl. I + Cl. II)                       | 100.0      | 11009362       | 4.191705          |                      | 558144.68   |
| Add Fractional Adjustment                          |            |                |                   |                      | .02         |
| Add Unpriced Milk Allocated to Cl. I               |            | 30361          |                   | 0.34                 | 103.23      |
| Add Overage Value                                  |            |                |                   |                      | 256.67      |
| Add Inventory Reclass. Value                       |            |                |                   |                      | 74.44       |
| Add $\frac{1}{2}$ Producer-Settlement Fund Reserve |            |                |                   |                      | 4918.34     |
| TOTAL VALUE AT TEST                                |            | 11009362       | 4.191705          |                      | 563497.38   |
| Less Test Over 4% @ 7.2¢ per point                 |            | 11009362       | .191705           | 0.138028             | 15196.00    |
| TOTAL VALUE AT 4%                                  |            | 11009362       | 4.0               | 4.980319             | 548301.38   |
| Less Producer-Settlement Fund Reserve              |            | 11009362       |                   | .040319              | 4438.86     |
| UNIFORM PRICE f.o.b. POOL PLANT (0-65 Miles)       |            | 11009362       | 4.0               | 4.94                 | 543862.52   |

AUGUST 1957 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT (0-65 Mile Zone)  
BUTTERFAT DIFFERENTIAL 7.2¢ PER POINT

| TEST | PRICE  | TEST | PRICE   | TEST | PRICE   | TEST | PRICE   | TEST | PRICE   |
|------|--------|------|---------|------|---------|------|---------|------|---------|
| 3.0  | \$4.22 | 3.6  | \$4.652 | 4.2  | \$5.084 | 4.8  | \$5.516 | 5.4  | \$5.948 |
| 3.05 | 4.256  | 3.65 | 4.688   | 4.25 | 5.12    | 4.85 | 5.552   | 5.45 | 5.984   |
| 3.1  | 4.292  | 3.7  | 4.724   | 4.3  | 5.156   | 4.9  | 5.588   | 5.5  | 6.02    |
| 3.15 | 4.328  | 3.75 | 4.76    | 4.35 | 5.192   | 4.95 | 5.624   | 5.55 | 6.056   |
| 3.2  | 4.364  | 3.8  | 4.796   | 4.4  | 5.228   | 5.0  | 5.66    | 5.6  | 6.092   |
| 3.25 | 4.40   | 3.85 | 4.832   | 4.45 | 5.264   | 5.05 | 5.696   | 5.65 | 6.128   |
| 3.3  | 4.436  | 3.9  | 4.868   | 4.5  | 5.30    | 5.1  | 5.732   | 5.7  | 6.164   |
| 3.35 | 4.472  | 3.95 | 4.904   | 4.55 | 5.336   | 5.15 | 5.768   | 5.75 | 6.20    |
| 3.4  | 4.508  | 4.0  | 4.94    | 4.6  | 5.372   | 5.2  | 5.804   | 5.8  | 6.236   |
| 3.45 | 4.544  | 4.05 | 4.976   | 4.65 | 5.408   | 5.25 | 5.84    | 5.85 | 6.272   |
| 3.5  | 4.58   | 4.1  | 5.012   | 4.7  | 5.444   | 5.3  | 5.876   | 5.9  | 6.308   |
| 3.55 | 4.616  | 4.15 | 5.048   | 4.75 | 5.48    | 5.35 | 5.912   | 5.95 | 6.344   |

NEW MILK BASES FOR 1958

Each producer for the Chattanooga marketing area will have a NEW MILK BASE to be used in making payment to such producer during the months of March through July 1958. The 1958 daily average base will be computed by dividing each producer's total milk deliveries to pool plants during September 1957 through January 1958 by the number of days from the first day of delivery to the last day of January, inclusive, but not less than 120 days. From August 1957 through February 1958, producers will be paid a uniform blend price for their total milk deliveries. Producer bases are assigned to payroll accounts as reported by the handler(s) receiving the milk. Producers (particularly partnerships) are urged to see that their account name is correctly listed with the handler receiving their milk.

## SUMMARY OF CHATTANOOGA MILK PRICES (4 PERCENT MILK)

| Month     | PRODUCER UNIFORM PRICES |                      |        |         | HANDLER CLASS PRICES |         |          |         |
|-----------|-------------------------|----------------------|--------|---------|----------------------|---------|----------|---------|
|           | Per hundredweight       |                      |        |         | Class I              |         | Class II |         |
|           | Uniform                 | Base                 | Excess | Bf.Dif. | Cwt.                 | Bf.Dif. | Cwt.     | Bf.Dif. |
| Sept. '56 | \$5.00 <sup>1/</sup>    | -                    | -      | 7.2¢    | \$5.28               | 7.7¢    | \$3.57   | 6.9¢    |
| Oct.      | 5.08 <sup>1/</sup>      | -                    | -      | 7.3¢    | 5.32                 | 7.8¢    | 3.60     | 7.0¢    |
| Nov.      | 5.02 <sup>1/</sup>      | -                    | -      | 7.4¢    | 5.35 <sup>1/</sup>   | 7.9¢    | 3.65     | 7.1¢    |
| Dec.      | 4.93 <sup>1/</sup>      | -                    | -      | 7.2¢    | 5.40 <sup>1/</sup>   | 8.0¢    | 3.55     | 6.9¢    |
| Jan. '57  | 4.97 <sup>1/</sup>      | -                    | -      | 7.1¢    | 5.37 <sup>1/</sup>   | 7.8¢    | 3.53     | 6.8¢    |
| Feb.      | 4.90 <sup>1/</sup>      | -                    | -      | 7.1¢    | 5.36 <sup>1/</sup>   | 7.7¢    | 3.24     | 6.8¢    |
| Mar.      | 4.76 <sup>2/</sup>      | \$5.01 <sup>1/</sup> | \$3.14 | 7.1¢    | 5.33                 | 7.7¢    | 3.18     | 6.8¢    |
| Apr.      | 4.55 <sup>2/</sup>      | 4.90 <sup>1/</sup>   | 3.09   | 7.1¢    | 5.28                 | 7.7¢    | 3.13     | 6.8¢    |
| May       | 4.54 <sup>2/</sup>      | 4.88 <sup>1/</sup>   | 3.07   | 7.1¢    | 5.28                 | 7.7¢    | 3.11     | 6.8¢    |
| June      | 4.55 <sup>2/</sup>      | 4.82 <sup>1/</sup>   | 3.04   | 7.1¢    | 5.28                 | 7.7¢    | 3.08     | 6.8¢    |
| July      | 4.69 <sup>2/</sup>      | 4.96 <sup>1/</sup>   | 3.00   | 7.1¢    | 5.28                 | 7.7¢    | 3.04     | 6.8¢    |
| Aug.      | 4.94                    | -                    | -      | 7.2¢    | 5.28                 | 7.7¢    | 3.06     | 6.9¢    |
| Sept.     | -                       | -                    | -      | -       | 5.29                 | 7.7¢    | -        | -       |

## SUMMARY OF PRICES USED IN DETERMINING CLASS PRICES

| Month    | AVERAGE QUOTATIONS |                   |                  | ALTERNATIVE FORMULAS |                |                |                   | Highest or Basic Formula |
|----------|--------------------|-------------------|------------------|----------------------|----------------|----------------|-------------------|--------------------------|
|          | Chi. 92° Butter    | Chi. Area Powders | Wisconsin Cheese | Cond. Mid-West       | Butter- Cheese | Butter- Powder | 4 Tenn. Milk mfgs |                          |
|          | ¢ lb.              | ¢ lb.             | ¢ lb.            | \$-cwt-4%            | \$-cwt-4%      | \$-cwt-4%      | \$-cwt-4%         |                          |
| Aug. '56 | 59.462             | 14.310            | 33.175           | 3.44                 | 3.24           | 3.53           | 3.08              | 3.53                     |
| Sept.    | 60.283             | 14.280            | 33.172           | 3.54                 | 3.28           | 3.57           | 3.12              | 3.57                     |
| Oct.     | 60.842             | 14.225            | 33.094           | 3.58                 | 3.30           | 3.60           | 3.16              | 3.60                     |
| Nov.     | 61.881             | 14.305            | 33.000           | 3.63                 | 3.35           | 3.65           | 3.21              | 3.65                     |
| Dec.     | 59.934             | 14.270            | 33.062           | 3.62                 | 3.26           | 3.55           | 3.21              | 3.62                     |
| Jan. '57 | 59.386             | 14.275            | 33.250           | 3.61                 | 3.24           | 3.53           | 3.26              | 3.61                     |
| Feb.     | 59.375             | 14.235            | 33.417           | 3.58                 | 3.24           | 3.53           | 3.24              | 3.58                     |
| Mar.     | 59.375             | 14.230            | 33.534           | 3.53                 | 3.24           | 3.53           | 3.18              | 3.53                     |
| Apr.     | 59.375             | 14.285            | 33.218           | 3.45                 | 3.24           | 3.53           | 3.13              | 3.53                     |
| May      | 59.375             | 14.265            | 33.208           | 3.42                 | 3.24           | 3.53           | 3.11              | 3.53                     |
| June     | 59.375             | 14.305            | 33.208           | 3.41                 | 3.24           | 3.53           | 3.08              | 3.53                     |
| July     | 59.375             | 14.155            | 33.208           | 3.40                 | 3.24           | 3.53           | 3.04              | 3.53                     |
| Aug.     | 59.597             | 14.275            | 33.208           | 3.42                 | 3.25           | 3.54           | 3.06              | 3.54                     |

## SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE)

| Month     | GROSS POUNDS MILK 3/ |             |              |             |              | Number of |       | Deliveries Per Farm - - Pounds |      |      | Prod. Milk Test |
|-----------|----------------------|-------------|--------------|-------------|--------------|-----------|-------|--------------------------------|------|------|-----------------|
|           | Gross Cl. I          | Prod. Cl. I | Prod. Repts. | Base Repts. | Gross Repts. | Hdlrs.    | Prods | Prod.                          | Base | Exc. |                 |
|           |                      |             |              |             |              |           |       |                                |      |      |                 |
| Sept. '56 | 328011               | 305451      | 348940       | -           | 378245       | 21        | 801   | 436                            | -    | -    | 4.43            |
| Oct.      | 341141               | 320375      | 362430       | -           | 391553       | 21        | 864   | 419                            | -    | -    | 4.51            |
| Nov.      | 332580               | 314230      | 379289       | -           | 401712       | 21        | 857   | 443                            | -    | -    | 4.58            |
| Dec.      | 303228               | 284777      | 369649       | -           | 393126       | 20        | 799   | 463                            | -    | -    | 4.51            |
| Jan. '57  | 322389               | 303901      | 377848       | -           | 400370       | 20        | 801   | 472                            | -    | -    | 4.53            |
| Feb.      | 324782               | 304944      | 384266       | -           | 408530       | 20        | 798   | 482                            | -    | -    | 4.40            |
| Mar. 4/   | 317192               | 298741      | 399102       | 345439      | 421610       | 20        | 794   | 503                            | 435  | 68   | 4.36            |
| Apr.      | 313291               | 294353      | 436110       | 351986      | 459174       | 20        | 797   | 547                            | 442  | 105  | 4.24            |
| May       | 304528               | 285623      | 429684       | 349056      | 453586       | 20        | 793   | 542                            | 440  | 102  | 4.21            |
| June      | 285666               | 267244      | 392416       | 334412      | 415521       | 20        | 793   | 495                            | 422  | 73   | 4.23            |
| July      | 297391               | 279329      | 373575       | 322798      | 397274       | 21        | 792   | 472                            | 408  | 64   | 4.20            |
| Aug.      | 323490               | 304724      | 355141       | -           | 379144       | 21        | 806   | 441                            | -    | -    | 4.19            |

1/ Excludes Premium.

2/ For statistics only.

3/ Other Source is Gross minus Producer; Class II is receipts minus Class I; Excess receipts is Producer minus Base.

4/ Audited figures through March 1957.